



PRELIMINARY DRAFT
No. 3144

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2014 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 30-4-6-14.

Synopsis: Contesting a trust. Provides that the notice given to a person by a trustee that starts the period within which to contest the validity of a trust must state: (1) the person's interest in the trust, as described in the trust document; or (2) that the person has no interest in the trust.

Effective: July 1, 2014.



A BILL FOR AN ACT to amend the Indiana Code concerning trusts and fiduciaries.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 30-4-6-14, AS ADDED BY P.L.238-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 14. (a) A person must commence a judicial proceeding to contest the validity of a trust that was revocable at the settlor's death within the earlier of the following:

(1) Ninety (90) days after the person receives from the trustee a copy of ~~the~~ a trust certification **required by IC 30-4-4-5** and a notice that: ~~informing the person of:~~

(A) **informs the person of** the trust's existence;

(B) **states** the trustee's name and address; ~~and~~

(C) **states:**

(i) the person's interest in the trust, as described in the trust document; or

(ii) that the person has no interest in the trust; and

~~(D)~~ (D) **states** the time allowed for commencing the proceeding.

(2) Three (3) years after the settlor's death.

(b) More than one hundred twenty (120) days after the death of the settlor of a trust that was revocable at the settlor's death, the trustee may distribute the trust property in accordance with the terms of the trust. The trustee is not subject to liability for the distribution unless:

(1) the trustee knows of a pending judicial proceeding contesting the validity of the trust; or

(2) a potential contestant notifies the trustee of a possible judicial proceeding to contest the trust and a judicial proceeding is commenced not later than sixty (60) days after the contestant sends the trustee the notification.

(c) A beneficiary of a trust that is determined to be invalid shall return any distribution received.

